
SENATE BILL 6736

State of Washington

56th Legislature

2000 Regular Session

By Senators Haugen, Goings, Sheahan, Fairley and Rasmussen; by request of Washington State Patrol

Read first time 01/25/2000. Referred to Committee on Ways & Means.

1 AN ACT Relating to surplus balance investment earnings; reenacting
2 and amending RCW 43.79A.040, 43.84.092, 43.84.092, and 43.84.092;
3 providing an effective date; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 43.79A.040 and 1999 c 384 s 8 and 1999 c 182 s 2 are
6 each reenacted and amended to read as follows:

7 (1) Money in the treasurer's trust fund may be deposited, invested,
8 and reinvested by the state treasurer in accordance with RCW 43.84.080
9 in the same manner and to the same extent as if the money were in the
10 state treasury.

11 (2) All income received from investment of the treasurer's trust
12 fund shall be set aside in an account in the treasury trust fund to be
13 known as the investment income account.

14 (3) The investment income account may be utilized for the payment
15 of purchased banking services on behalf of treasurer's trust funds
16 including, but not limited to, depository, safekeeping, and
17 disbursement functions for the state treasurer or affected state
18 agencies. The investment income account is subject in all respects to
19 chapter 43.88 RCW, but no appropriation is required for payments to

1 financial institutions. Payments shall occur prior to distribution of
2 earnings set forth in subsection (4) of this section.

3 (4)(a) Monthly, the state treasurer shall distribute the earnings
4 credited to the investment income account to the state general fund
5 except under (b) and (c) of this subsection.

6 (b) The following accounts and funds shall receive their
7 proportionate share of earnings based upon each account's or fund's
8 average daily balance for the period: The Washington advanced college
9 tuition payment program account, the agricultural local fund, the
10 American Indian scholarship endowment fund, the Washington
11 international exchange scholarship endowment fund, the developmental
12 disabilities endowment trust fund, the energy account, the fair fund,
13 the fire protection contractor license account, the game farm
14 alternative account, the grain inspection revolving fund, the juvenile
15 accountability incentive account, the rural rehabilitation account, the
16 stadium and exhibition center account, the youth athletic facility
17 grant account, the self-insurance revolving fund, the sulfur dioxide
18 abatement account, and the children's trust fund. However, the
19 earnings to be distributed shall first be reduced by the allocation to
20 the state treasurer's service fund pursuant to RCW 43.08.190.

21 (c) The following accounts and funds shall receive eighty percent
22 of their proportionate share of earnings based upon each account's or
23 fund's average daily balance for the period: The advanced right of way
24 revolving fund, the advanced environmental mitigation revolving
25 account, the federal narcotics asset forfeitures account, the high
26 occupancy vehicle account, the local rail service assistance account,
27 and the miscellaneous transportation programs account.

28 (5) In conformance with Article II, section 37 of the state
29 Constitution, no trust accounts or funds shall be allocated earnings
30 without the specific affirmative directive of this section.

31 **Sec. 2.** RCW 43.84.092 and 1999 c 380 s 8, 1999 c 309 s 928, 1999
32 c 268 s 4, and 1999 c 94 s 2 are each reenacted and amended to read as
33 follows:

34 (1) All earnings of investments of surplus balances in the state
35 treasury shall be deposited to the treasury income account, which
36 account is hereby established in the state treasury.

37 (2) The treasury income account shall be utilized to pay or receive
38 funds associated with federal programs as required by the federal cash

1 management improvement act of 1990. The treasury income account is
2 subject in all respects to chapter 43.88 RCW, but no appropriation is
3 required for refunds or allocations of interest earnings required by
4 the cash management improvement act. Refunds of interest to the
5 federal treasury required under the cash management improvement act
6 fall under RCW 43.88.180 and shall not require appropriation. The
7 office of financial management shall determine the amounts due to or
8 from the federal government pursuant to the cash management improvement
9 act. The office of financial management may direct transfers of funds
10 between accounts as deemed necessary to implement the provisions of the
11 cash management improvement act, and this subsection. Refunds or
12 allocations shall occur prior to the distributions of earnings set
13 forth in subsection (4) of this section.

14 (3) Except for the provisions of RCW 43.84.160, the treasury income
15 account may be utilized for the payment of purchased banking services
16 on behalf of treasury funds including, but not limited to, depository,
17 safekeeping, and disbursement functions for the state treasury and
18 affected state agencies. The treasury income account is subject in all
19 respects to chapter 43.88 RCW, but no appropriation is required for
20 payments to financial institutions. Payments shall occur prior to
21 distribution of earnings set forth in subsection (4) of this section.

22 (4) Monthly, the state treasurer shall distribute the earnings
23 credited to the treasury income account. The state treasurer shall
24 credit the general fund with all the earnings credited to the treasury
25 income account except:

26 (a) The following accounts and funds shall receive their
27 proportionate share of earnings based upon each account's and fund's
28 average daily balance for the period: The capitol building
29 construction account, the Cedar River channel construction and
30 operation account, the Central Washington University capital projects
31 account, the charitable, educational, penal and reformatory
32 institutions account, the common school construction fund, the county
33 criminal justice assistance account, the county sales and use tax
34 equalization account, the data processing building construction
35 account, the deferred compensation administrative account, the deferred
36 compensation principal account, the department of retirement systems
37 expense account, the drinking water assistance account, the Eastern
38 Washington University capital projects account, the education
39 construction fund, the emergency reserve fund, the federal forest

1 revolving account, the health services account, the public health
2 services account, the health system capacity account, the personal
3 health services account, the state higher education construction
4 account, the higher education construction account, the highway
5 infrastructure account, the industrial insurance premium refund
6 account, the judges' retirement account, the judicial retirement
7 administrative account, the judicial retirement principal account, the
8 local leasehold excise tax account, the local real estate excise tax
9 account, the local sales and use tax account, the medical aid account,
10 the mobile home park relocation fund, the municipal criminal justice
11 assistance account, the municipal sales and use tax equalization
12 account, the natural resources deposit account, the perpetual
13 surveillance and maintenance account, the public employees' retirement
14 system plan 1 account, the public employees' retirement system plan 2
15 account, the Puyallup tribal settlement account, the resource
16 management cost account, the site closure account, the special wildlife
17 account, the state employees' insurance account, the state employees'
18 insurance reserve account, the state investment board expense account,
19 the state investment board commingled trust fund accounts, the
20 supplemental pension account, the teachers' retirement system plan 1
21 account, the teachers' retirement system plan 2 account, the tobacco
22 prevention and control account, the tobacco settlement account, the
23 transportation infrastructure account, the tuition recovery trust fund,
24 the University of Washington bond retirement fund, the University of
25 Washington building account, the volunteer fire fighters' and reserve
26 officers' relief and pension principal ((~~account~~)) fund, the volunteer
27 fire fighters' ((~~relief and pension~~)) and reserve officers'
28 administrative ((~~account~~)) fund, the Washington judicial retirement
29 system account, the Washington law enforcement officers' and fire
30 fighters' system plan 1 retirement account, the Washington law
31 enforcement officers' and fire fighters' system plan 2 retirement
32 account, the Washington state patrol retirement account, the Washington
33 State University building account, the Washington State University bond
34 retirement fund, the water pollution control revolving fund, and the
35 Western Washington University capital projects account. Earnings
36 derived from investing balances of the agricultural permanent fund, the
37 normal school permanent fund, the permanent common school fund, the
38 scientific permanent fund, and the state university permanent fund
39 shall be allocated to their respective beneficiary accounts. All

1 earnings to be distributed under this subsection (4)(a) shall first be
2 reduced by the allocation to the state treasurer's service fund
3 pursuant to RCW 43.08.190.

4 (b) The following accounts and funds shall receive eighty percent
5 of their proportionate share of earnings based upon each account's or
6 fund's average daily balance for the period: The aeronautics account,
7 the aircraft search and rescue account, the county arterial
8 preservation account, the department of licensing services account, the
9 essential rail assistance account, the ferry bond retirement fund, the
10 fire service training account, the fire service trust account, the
11 grade crossing protective fund, the high capacity transportation
12 account, the highway bond retirement fund, the highway safety account,
13 the marine operating fund, the motor vehicle fund, the motorcycle
14 safety education account, the pilotage account, the public
15 transportation systems account, the Puget Sound capital construction
16 account, the Puget Sound ferry operations account, the recreational
17 vehicle account, the rural arterial trust account, the safety and
18 education account, the special category C account, the state patrol
19 highway account, the transportation equipment fund, the transportation
20 fund, the transportation improvement account, the transportation
21 improvement board bond retirement account, and the urban arterial trust
22 account.

23 (5) In conformance with Article II, section 37 of the state
24 Constitution, no treasury accounts or funds shall be allocated earnings
25 without the specific affirmative directive of this section.

26 **Sec. 3.** RCW 43.84.092 and 1999 c 380 s 8, 1999 c 309 s 928, 1999
27 c 268 s 4, 1999 c 94 s 3, and 1999 c 94 s 2 are each reenacted and
28 amended to read as follows:

29 (1) All earnings of investments of surplus balances in the state
30 treasury shall be deposited to the treasury income account, which
31 account is hereby established in the state treasury.

32 (2) The treasury income account shall be utilized to pay or receive
33 funds associated with federal programs as required by the federal cash
34 management improvement act of 1990. The treasury income account is
35 subject in all respects to chapter 43.88 RCW, but no appropriation is
36 required for refunds or allocations of interest earnings required by
37 the cash management improvement act. Refunds of interest to the
38 federal treasury required under the cash management improvement act

1 fall under RCW 43.88.180 and shall not require appropriation. The
2 office of financial management shall determine the amounts due to or
3 from the federal government pursuant to the cash management improvement
4 act. The office of financial management may direct transfers of funds
5 between accounts as deemed necessary to implement the provisions of the
6 cash management improvement act, and this subsection. Refunds or
7 allocations shall occur prior to the distributions of earnings set
8 forth in subsection (4) of this section.

9 (3) Except for the provisions of RCW 43.84.160, the treasury income
10 account may be utilized for the payment of purchased banking services
11 on behalf of treasury funds including, but not limited to, depository,
12 safekeeping, and disbursement functions for the state treasury and
13 affected state agencies. The treasury income account is subject in all
14 respects to chapter 43.88 RCW, but no appropriation is required for
15 payments to financial institutions. Payments shall occur prior to
16 distribution of earnings set forth in subsection (4) of this section.

17 (4) Monthly, the state treasurer shall distribute the earnings
18 credited to the treasury income account. The state treasurer shall
19 credit the general fund with all the earnings credited to the treasury
20 income account except:

21 (a) The following accounts and funds shall receive their
22 proportionate share of earnings based upon each account's and fund's
23 average daily balance for the period: The capitol building
24 construction account, the Cedar River channel construction and
25 operation account, the Central Washington University capital projects
26 account, the charitable, educational, penal and reformatory
27 institutions account, the common school construction fund, the county
28 criminal justice assistance account, the county sales and use tax
29 equalization account, the data processing building construction
30 account, the deferred compensation administrative account, the deferred
31 compensation principal account, the department of retirement systems
32 expense account, the drinking water assistance account, the Eastern
33 Washington University capital projects account, the education
34 construction fund, the emergency reserve fund, the federal forest
35 revolving account, the health services account, the public health
36 services account, the health system capacity account, the personal
37 health services account, the state higher education construction
38 account, the higher education construction account, the highway
39 infrastructure account, the industrial insurance premium refund

1 account, the judges' retirement account, the judicial retirement
2 administrative account, the judicial retirement principal account, the
3 local leasehold excise tax account, the local real estate excise tax
4 account, the local sales and use tax account, the medical aid account,
5 the mobile home park relocation fund, the municipal criminal justice
6 assistance account, the municipal sales and use tax equalization
7 account, the natural resources deposit account, the perpetual
8 surveillance and maintenance account, the public employees' retirement
9 system plan 1 account, the public employees' retirement system plan 2
10 account, the Puyallup tribal settlement account, the resource
11 management cost account, the site closure account, the special wildlife
12 account, the state employees' insurance account, the state employees'
13 insurance reserve account, the state investment board expense account,
14 the state investment board commingled trust fund accounts, the
15 supplemental pension account, the teachers' retirement system plan 1
16 account, the teachers' retirement system plan 2 account, the tobacco
17 prevention and control account, the tobacco settlement account, the
18 transportation infrastructure account, the tuition recovery trust fund,
19 the University of Washington bond retirement fund, the University of
20 Washington building account, the volunteer fire fighters' and reserve
21 officers' relief and pension principal ((account)) fund, the volunteer
22 fire fighters' ((relief and pension)) and reserve officers'
23 administrative ((account)) fund, the Washington judicial retirement
24 system account, the Washington law enforcement officers' and fire
25 fighters' system plan 1 retirement account, the Washington law
26 enforcement officers' and fire fighters' system plan 2 retirement
27 account, the Washington state patrol retirement account, the Washington
28 State University building account, the Washington State University bond
29 retirement fund, the water pollution control revolving fund, and the
30 Western Washington University capital projects account. Earnings
31 derived from investing balances of the agricultural permanent fund, the
32 normal school permanent fund, the permanent common school fund, the
33 scientific permanent fund, and the state university permanent fund
34 shall be allocated to their respective beneficiary accounts. All
35 earnings to be distributed under this subsection (4)(a) shall first be
36 reduced by the allocation to the state treasurer's service fund
37 pursuant to RCW 43.08.190.

38 (b) The following accounts and funds shall receive eighty percent
39 of their proportionate share of earnings based upon each account's or

1 fund's average daily balance for the period: The aeronautics account,
2 the aircraft search and rescue account, the county arterial
3 preservation account, the department of licensing services account, the
4 essential rail assistance account, the ferry bond retirement fund, the
5 fire service training account, the fire service trust account, the
6 grade crossing protective fund, the high capacity transportation
7 account, the highway bond retirement fund, the highway safety account,
8 the motor vehicle fund, the motorcycle safety education account, the
9 pilotage account, the public transportation systems account, the Puget
10 Sound capital construction account, the Puget Sound ferry operations
11 account, the recreational vehicle account, the rural arterial trust
12 account, the safety and education account, the special category C
13 account, the state patrol highway account, the transportation equipment
14 fund, the transportation fund, the transportation improvement account,
15 the transportation improvement board bond retirement account, and the
16 urban arterial trust account.

17 (5) In conformance with Article II, section 37 of the state
18 Constitution, no treasury accounts or funds shall be allocated earnings
19 without the specific affirmative directive of this section.

20 **Sec. 4.** RCW 43.84.092 and 1999 c 380 s 9, 1999 c 309 s 929, 1999
21 c 268 s 5, and 1999 c 94 s 4 are each reenacted and amended to read as
22 follows:

23 (1) All earnings of investments of surplus balances in the state
24 treasury shall be deposited to the treasury income account, which
25 account is hereby established in the state treasury.

26 (2) The treasury income account shall be utilized to pay or receive
27 funds associated with federal programs as required by the federal cash
28 management improvement act of 1990. The treasury income account is
29 subject in all respects to chapter 43.88 RCW, but no appropriation is
30 required for refunds or allocations of interest earnings required by
31 the cash management improvement act. Refunds of interest to the
32 federal treasury required under the cash management improvement act
33 fall under RCW 43.88.180 and shall not require appropriation. The
34 office of financial management shall determine the amounts due to or
35 from the federal government pursuant to the cash management improvement
36 act. The office of financial management may direct transfers of funds
37 between accounts as deemed necessary to implement the provisions of the
38 cash management improvement act, and this subsection. Refunds or

1 allocations shall occur prior to the distributions of earnings set
2 forth in subsection (4) of this section.

3 (3) Except for the provisions of RCW 43.84.160, the treasury income
4 account may be utilized for the payment of purchased banking services
5 on behalf of treasury funds including, but not limited to, depository,
6 safekeeping, and disbursement functions for the state treasury and
7 affected state agencies. The treasury income account is subject in all
8 respects to chapter 43.88 RCW, but no appropriation is required for
9 payments to financial institutions. Payments shall occur prior to
10 distribution of earnings set forth in subsection (4) of this section.

11 (4) Monthly, the state treasurer shall distribute the earnings
12 credited to the treasury income account. The state treasurer shall
13 credit the general fund with all the earnings credited to the treasury
14 income account except:

15 (a) The following accounts and funds shall receive their
16 proportionate share of earnings based upon each account's and fund's
17 average daily balance for the period: The capitol building
18 construction account, the Cedar River channel construction and
19 operation account, the Central Washington University capital projects
20 account, the charitable, educational, penal and reformatory
21 institutions account, the common school construction fund, the county
22 criminal justice assistance account, the county sales and use tax
23 equalization account, the data processing building construction
24 account, the deferred compensation administrative account, the deferred
25 compensation principal account, the department of retirement systems
26 expense account, the drinking water assistance account, the Eastern
27 Washington University capital projects account, the education
28 construction fund, the emergency reserve fund, the federal forest
29 revolving account, the health services account, the public health
30 services account, the health system capacity account, the personal
31 health services account, the state higher education construction
32 account, the higher education construction account, the highway
33 infrastructure account, the industrial insurance premium refund
34 account, the judges' retirement account, the judicial retirement
35 administrative account, the judicial retirement principal account, the
36 local leasehold excise tax account, the local real estate excise tax
37 account, the local sales and use tax account, the medical aid account,
38 the mobile home park relocation fund, the municipal criminal justice
39 assistance account, the municipal sales and use tax equalization

1 account, the natural resources deposit account, the perpetual
2 surveillance and maintenance account, the public employees' retirement
3 system plan 1 account, the public employees' retirement system plan 2
4 account, the Puyallup tribal settlement account, the resource
5 management cost account, the site closure account, the special wildlife
6 account, the state employees' insurance account, the state employees'
7 insurance reserve account, the state investment board expense account,
8 the state investment board commingled trust fund accounts, the
9 supplemental pension account, the teachers' retirement system plan 1
10 account, the teachers' retirement system combined plan 2 and plan 3
11 account, the tobacco prevention and control account, the tobacco
12 settlement account, the transportation infrastructure account, the
13 tuition recovery trust fund, the University of Washington bond
14 retirement fund, the University of Washington building account, the
15 volunteer fire fighters' and reserve officers' relief and pension
16 principal ((~~account~~)) fund, the volunteer fire fighters' ((~~relief and~~
17 ~~pension~~)) and reserve officers' administrative ((~~account~~)) fund, the
18 Washington judicial retirement system account, the Washington law
19 enforcement officers' and fire fighters' system plan 1 retirement
20 account, the Washington law enforcement officers' and fire fighters'
21 system plan 2 retirement account, the Washington school employees'
22 retirement system combined plan 2 and 3 account, the Washington state
23 patrol retirement account, the Washington State University building
24 account, the Washington State University bond retirement fund, the
25 water pollution control revolving fund, and the Western Washington
26 University capital projects account. Earnings derived from investing
27 balances of the agricultural permanent fund, the normal school
28 permanent fund, the permanent common school fund, the scientific
29 permanent fund, and the state university permanent fund shall be
30 allocated to their respective beneficiary accounts. All earnings to be
31 distributed under this subsection (4)(a) shall first be reduced by the
32 allocation to the state treasurer's service fund pursuant to RCW
33 43.08.190.

34 (b) The following accounts and funds shall receive eighty percent
35 of their proportionate share of earnings based upon each account's or
36 fund's average daily balance for the period: The aeronautics account,
37 the aircraft search and rescue account, the county arterial
38 preservation account, the department of licensing services account, the
39 essential rail assistance account, the ferry bond retirement fund, the

1 fire service training account, the fire service trust account, the
2 grade crossing protective fund, the high capacity transportation
3 account, the highway bond retirement fund, the highway safety account,
4 the motor vehicle fund, the motorcycle safety education account, the
5 pilotage account, the public transportation systems account, the Puget
6 Sound capital construction account, the Puget Sound ferry operations
7 account, the recreational vehicle account, the rural arterial trust
8 account, the safety and education account, the special category C
9 account, the state patrol highway account, the transportation equipment
10 fund, the transportation fund, the transportation improvement account,
11 the transportation improvement board bond retirement account, and the
12 urban arterial trust account.

13 (5) In conformance with Article II, section 37 of the state
14 Constitution, no treasury accounts or funds shall be allocated earnings
15 without the specific affirmative directive of this section.

16 NEW SECTION. Sec. 5. Sections 2 and 3 of this act expire
17 September 1, 2000.

18 NEW SECTION. Sec. 6. Section 4 of this act takes effect September
19 1, 2000.

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